

TWELFTH PROMISSORY NOTE MODIFICATION AGREEMENT

NORTHSTAR MACHINE AND TOOL CO., INC.

THIS TWELFTH PROMISSORY NOTE MODIFICATION AGREEMENT, hereinafter referred to as Amendment Twelve to Note, effective as of the date of attestation below, by NORTHSTAR MACHINE & TOOL CO., INC., hereinafter referred to as the "Maker", in acknowledgement of Maker's debt to the CITY OF DULUTH, a Minnesota Municipal Corporation, hereinafter referred to as "Holder".

Maker acknowledges the loan to Maker by Holder on February 8, 2007 in the amount of \$500,000 (the "Loan") evidenced by a Promissory Note of that date which note has since been amended eleven times and which note and amendments are hereinafter referred to as the "Note". As of March 1, 2017, Maker acknowledges and Holder agrees that the amount of the unpaid balance of the Note, including unpaid principal and accrued unpaid interest is \$330,296.02. Maker is desirous of modifying the repayment obligations as set forth in the Note in conjunction with its obligations under the terms of that certain Agreement for Loan of Minnesota Investment Fund dated February 8, 2007, as amended (the "Agreement"), as modified pursuant to Twelfth Amendment thereto of even date herewith (the "Amendment"). City is agreeable to making such modifications to the Note as are hereinafter set forth in conjunction with the Amendment.

Therefore, the Maker and the Holder hereby agree that the Note shall be modified as hereinafter set forth. Except to the extent that any terms or conditions of the Note are contrary to the terms and conditions of the Amendment Twelve to Note or are modified by the terms and conditions of the Amendment Twelve to Note, the Note and all of its terms and conditions, including but not limited to the security referenced therein, are hereby confirmed and shall continue to be in full force and effect. In the event of any conflict between the terms and conditions of this Amendment Twelve to Note and terms and conditions of the Note, the terms and conditions of the Amendment Twelve to Note shall be deemed to be controlling.

The term of the Note and the Loan made pursuant thereto is hereby extended to February 14, 2019, subject to earlier termination as provided for in the Note and the Agreement.

Commencing on April 1, 2017, and continuing through February 14, 2019, the Loan shall bear interest at a rate of 0% per annum. Maker shall make reduced monthly principal payments to Holder of \$1,530.00.

IN WITNESS WHEREOF, the parties have hereunto set their hands the day and date shown below.

CITY OF DULUTH, a Minnesota Municipal
Corporation

NORTHSTAR MACHINE & TOOL, Co.,
INC., a Minnesota Corporation

By: _____
Its Mayor

By: _____
Its: _____

Attest:

By: _____
Its City Clerk

Dated: March ____, 2017

Countersigned:

By: _____
Its City Auditor

Approved:

By: _____
City Attorney